

**ADVOCACY FOR THE ARTS AND TECHNOLOGY  
IN NEW ORLEANS, LOUISIANA, INC.**

**Financial Statements as of June 30, 2013 and 2012  
and for the Years Then Ended  
and Independent Auditors' Report  
and Supplemental Information**

# ADVOCACY FOR THE ARTS AND TECHNOLOGY IN NEW ORLEANS, LOUISIANA, INC.

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**ADVOCACY FOR THE ARTS AND TECHNOLOGY IN NEW ORLEANS, LOUISIANA, INC.**

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Certified Public Accountants & Consultants

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Advocacy for the Arts and Technology in  
New Orleans, Louisiana, Inc.  
New Orleans, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Advocacy for the Arts and Technology in New Orleans, Louisiana, Inc. (the School) (a nonprofit organization), which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Advocacy for the Arts and Technology in New Orleans, Louisiana, Inc. as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Plan of Dissolution**

On December 5, 2012, BESE voted to terminate the charter of the School effective June 30, 2013. The School ceased active operation on that date (see Note A).

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 18, 2014, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

*Silva Gurtner & Albney, LLC*

New Orleans, Louisiana  
February 18, 2014

**ADVOCACY FOR THE ARTS AND TECHNOLOGY IN NEW ORLEANS, LOUISIANA, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 111,654	\$ 213,338
Grants receivable	260,215	178,719
Accounts receivable	53,686	-
Prepays and other assets	<u>-</u>	<u>10,000</u>
Total current assets	<u>425,555</u>	<u>402,057</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 425,555</u></b>	<b><u>\$ 402,057</u></b>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable - vendors	\$ 78,036	\$ 152,960
Accrued and other liabilities	<u>61,011</u>	<u>99,209</u>
Total current liabilities	139,047	252,169
 CONTINGENCIES (NOTE F)		
 <b>NET ASSETS</b>		
Unrestricted	<u>286,508</u>	<u>149,888</u>
Total net assets	<u>286,508</u>	<u>149,888</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 425,555</u></b>	<b><u>\$ 402,057</u></b>

See accompanying independent auditors' report and notes to financial statements.

**ADVOCACY FOR THE ARTS AND TECHNOLOGY IN NEW ORLEANS, LOUISIANA, INC.**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
UNRESTRICTED REVENUES AND OTHER SUPPORT		
Local sources		
Minimum Foundation Program	\$ 1,043,784	\$ 848,534
Other income	46,888	55,714
State sources		
Minimum Foundation Program	962,913	754,556
State grants	54,458	32,413
Federal grants	393,262	326,662
Food services contracts	<u>196,751</u>	<u>136,720</u>
Total unrestricted revenues and other support	2,698,056	2,154,599
UNRESTRICTED EXPENSES		
Program expenses	1,723,847	1,567,283
Administrative expenses	<u>837,589</u>	<u>603,727</u>
Total unrestricted expenses	<u>2,561,436</u>	<u>2,171,010</u>
CHANGE IN NET ASSETS	<b>136,620</b>	<b>(16,411)</b>
NET ASSETS - Beginning of year	<u>149,888</u>	<u>166,299</u>
NET ASSETS - End of year	<u><b>\$ 286,508</b></u>	<u><b>\$ 149,888</b></u>

See accompanying independent auditors' report and notes to financial statements.

**ADVOCACY FOR THE ARTS AND TECHNOLOGY IN NEW ORLEANS, LOUISIANA, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	Program Expenses	Administrative Expenses	Total
EXPENSES			
Salaries	\$ 1,044,820	\$ 233,765	\$ 1,278,585
Payroll taxes	47,845	5,914	53,759
Employee benefits	105,857	28,721	134,578
Retirement fund contribution	269,458	49,922	319,380
Transportation	147,703	-	147,703
Insurance	-	9,329	9,329
Materials and supplies	42,137	25,405	67,542
Food services	-	224,611	224,611
Professional services	62,999	215,601	278,600
Miscellaneous	1,830	4,429	6,259
Travel	1,198	478	1,676
Occupancy	-	39,414	39,414
	<u>\$ 1,723,847</u>	<u>\$ 837,589</u>	<u>\$ 2,561,436</u>

See accompanying independent auditors' report and notes to financial statements.



**ADVOCACY FOR THE ARTS AND TECHNOLOGY IN NEW ORLEANS, LOUISIANA, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	Program Expenses	Administrative Expenses	Total
EXPENSES			
Salaries	\$ 873,398	\$ 246,064	\$ 1,119,462
Payroll taxes	39,944	4,872	44,816
Employee benefits	90,057	21,681	111,738
Retirement fund contribution	232,329	53,611	285,940
Transportation	145,440	1,406	146,846
Insurance	-	39,672	39,672
Materials and supplies	20,802	2,321	23,123
Food services	-	136,720	136,720
Professional services	103,716	77,255	180,971
Miscellaneous	4,694	14,351	19,045
Travel	4,689	2,185	6,874
Occupancy	52,214	3,589	55,803
	<u><u>\$ 1,567,283</u></u>	<u><u>\$ 603,727</u></u>	<u><u>\$ 2,171,010</u></u>

See accompanying independent auditors' report and notes to financial statements.

**ADVOCACY FOR THE ARTS AND TECHNOLOGY IN NEW ORLEANS, LOUISIANA, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Change in net assets	\$ 136,620	\$ (16,411)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Changes in operating assets and liabilities:		
Grants receivable	(81,496)	(49,958)
Accounts receivable	(53,686)	-
Prepaid and other assets	10,000	336
Accounts payable - vendors	(74,924)	79,163
Accrued and other liabilities	(38,198)	2,764
	<u>(101,684)</u>	<u>15,894</u>
Net cash (used in) provided by operating activities	<u>(101,684)</u>	<u>15,894</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<b>(101,684)</b>	<b>15,894</b>
CASH AND CASH EQUIVALENTS - Beginning of year	<u>213,338</u>	<u>197,444</u>
CASH AND CASH EQUIVALENTS - End of year	<u><b>\$ 111,654</b></u>	<u><b>\$ 213,338</b></u>
SUPPLEMENTAL CASH FLOW DISCLOSURE:		
Interest paid during the year	<u><b>\$ 134</b></u>	<u><b>\$ 4,412</b></u>

See accompanying independent auditors' report and notes to financial statements.

**ADVOCACY FOR THE ARTS AND TECHNOLOGY IN NEW ORLEANS, LOUISIANA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013 AND 2012**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Nature of Organization*** – The Advocacy for the Arts and Technology in New Orleans, Louisiana, Inc. d/b/a Crocker Arts and Technology School (the School) was granted a charter by the Louisiana State Board of Elementary and Secondary Education (BESE) in 2007 to operate a Type 5 public charter school. The School provided educational services according to the educational standards established by law, the charter contract and the charter application/proposal; measured pupil progress toward stated goals; and participated in pupil assessment required by law, regulations and BESE policy.

On December 5, 2012, BESE voted to terminate the charter of the School effective June 30, 2013. The School ceased active operation on that date. Pursuant to the Charter School Contract, the board of directors is in the process of carrying out the dissolution of the School and disposition of assets in accordance with the Plan of Dissolution and applicable law, which is expected to be completed during fiscal 2014.

***Financial Statement Presentation*** – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The School follows the guidance of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205, *Not-For-Profit Entities: Presentation of Financial Statements*. Under FASB ASC 958-205, the School is required to report information regarding its financial position and activities according to three classes of net assets:

***Unrestricted Net Assets*** – Net assets that are not subject to donor-imposed restricted.

***Temporarily Restricted Net Assets*** – Net assets subject to donor-imposed restrictions that will be met by the actions of the School or the passage of time. For the years ended June 30, 2013 and 2012, there were no temporarily restricted net assets.

***Permanently Restricted Net Assets*** – Net assets subject to donor-imposed restrictions that are required to be maintained permanently by the School. Generally, the donors of these assets stipulate that the income earned on related investments should be used for specific purposes. For the years ended June 30, 2013 and 2012, there were no permanently restricted net assets.

In addition, the School is required to present a statement of cash flows.

***Use of Estimates*** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

***Cash and Cash Equivalents*** – For purpose of the statements of cash flows, the School considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**ADVOCACY FOR THE ARTS AND TECHNOLOGY IN NEW ORLEANS, LOUISIANA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013 AND 2012**

**Grants Receivable** – Grants receivable are stated at the amount management expects to collect from outstanding balances. The financial statements do not include an estimate for allowance for doubtful accounts. Management believes that all receivables are collectible.

**Promises to Give** – Contributions are recognized when the donor makes a promise to give to the School that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which that contribution depends are substantially met.

All promises to give are recognized as assets and revenues. The School had no conditional promises to give as of June 30, 2013 and 2012.

**Public Support and Revenue** – The School's primary source of funding is through the Minimum Foundation Program (MFP) funded by the State Public School Fund (the State) and BESE. The School, as a Type 5 charter school, receives \$4,585 from the State and \$4,970 from BESE per eligible student in attendance at the official pupil count date of October 1<sup>st</sup> each year. MFP revenue accounts for 82% and 74% of the School's total support for the years ended June 30, 2013 and 2012, respectively. State and federal grants are awarded on a cost reimbursement basis and account for 16% and 23% of the School's total support for the years ended June 30, 2013 and 2012, respectively.

**Functional Expenses** – The cost of providing the various programs and other activities are summarized in the statements of functional expenses. Certain expenses have been allocated among the programs and supporting services based on management's estimate of the costs involved.

**Compensated Absences** – Employees earn 10 days paid leave per year to be used in the event of their own illness, an immediate family member's illness, bereavement, visits to required medical practitioners, or personal business. Unused leave cannot be carried from one year to the next. The School pays employees for unused leave upon termination, provided such termination occurs on or before school year ends.

**Income Taxes** – The School is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the School's tax-exempt purpose is subject to taxation as unrelated business income. Management believes there are no uncertain tax positions included in the financial statements.

**NOTE B – CONCENTRATION OF CREDIT RISK**

The School maintains non-interest bearing and interest bearing accounts at local financial institutions. As of June 30, 2013, the Federal Deposit Insurance Commission (FDIC) provides up to \$250,000 per institution. As of June 30, 2012, the FDIC provided unlimited deposit insurance coverage on non-interest bearing accounts and up to \$250,000 per institution on interest bearing accounts. As of June 30, 2013 and 2012, cash deposits were fully insured.

**ADVOCACY FOR THE ARTS AND TECHNOLOGY IN NEW ORLEANS, LOUISIANA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013 AND 2012**

**NOTE C – GRANTS RECEIVABLE**

As of June 30, 2013 and 2012, grants receivable consisted of the following:

	<b>2013</b>	<b>2012</b>
Federal sources:		
IASA Title I	\$ 165,261	\$ 65,529
IASA Title II	655	5,580
LA 4 TANF	75,564	58,973
IDEA Part B	18,735	19,964
IDEA Preschool	-	2,370
	<hr/>	<hr/>
Total federal sources	260,215	152,416
State sources:		
8(G) – TAP Funds	-	21,568
LA 4	-	4,735
	<hr/>	<hr/>
Total state sources	-	26,303
	<hr/>	<hr/>
Total grants receivable	<b>\$ 260,215</b>	<b>\$ 178,719</b>

**NOTE D – ACCRUED AND OTHER LIABILITIES**

At June 30, 2013 and 2012, accrued and other liabilities consisted of the following:

	<b>2013</b>	<b>2012</b>
Salaries payable	\$ -	\$ 14,255
Retirement payable	8,318	58,492
Taxes and other withholdings payable	12,158	16,269
8(G) – Tap Funds	38,500	-
Other	2,035	10,193
	<hr/>	<hr/>
	<b>\$ 61,011</b>	<b>\$ 99,209</b>

**NOTE E – RISK MANAGEMENT**

The School is exposed to various risks of loss from torts; thefts of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health and accident benefits. As dictated in its charter agreement with BESE, the School carries commercial insurance coverage for claims arising from such matters. There were no settled claims that exceeded this commercial coverage for the years ended June 30, 2013 and 2012.

**ADVOCACY FOR THE ARTS AND TECHNOLOGY IN NEW ORLEANS, LOUISIANA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013 AND 2012**

**NOTE F – CONTINGENCIES**

The School is a recipient of federal and state grants. The grants are governed by various federal and state guidelines, regulations, and contractual agreements. The administration of the programs and activities funded by these grants are under the control and administration of the School and are subject to audit and/or review by the federal and state grantor. Any grant found to be not properly spent in accordance with the terms, conditions, and regulations of the federal and state agencies may be subject to recapture.

**NOTE G – IN-KIND CONTRIBUTIONS**

The School received rent-free use of a school building, furniture and equipment from RSD. The estimated values of the use of the building, furniture and equipment were not readily determinable and no amounts have been recorded in the accompanying financial statements.

**NOTE H – FOOD SERVICES CONTRACTS**

The School contracted with KIPP New Orleans Schools (KIPP) and Revolution Foods, Inc. to administer its food service program during the year ended June 30, 2013. KIPP reimburses the School for meals served at the School. Revolution Foods, Inc. prepares the meals served at the School. The School received reimbursements for the food services program from KIPP totaling \$196,751 for the year ended June 30, 2013, which is reported in the statements of activities and changes in net assets as food services contracts. The School paid Revolution Foods, Inc. \$224,611 for the year ended June 30, 2013, which is reported in the statements of activities and changes in net assets as food services expense.

The School contracted with RSD to administer its food service program. A significant portion of the cost of the RSD services was paid through federal grants received by RSD. RSD received payment from the School of the amount unreimbursed by RSD federal grants for the meals served. The value of the reimbursed amount for the meals totaled \$136,720 for the years ended June 30, 2012, which is reported in the statements of activities and changes in net assets as food services contracts.

**NOTE I – RETIREMENT PLAN**

Substantially all employees of the School participate in the Teachers' Retirement System of Louisiana (TRSL). This system is a cost sharing, multiple-employer governmental defined benefit plan qualified under Section 401(a) of the Internal Revenue Code. The plan provides retirement benefits as well as disability and survivor benefits to eligible participants. The TRSL issues publicly available financial reports that include financial statements and required supplementary information of the TRSL. That report may be obtained by writing the Teachers' Retirement System of Louisiana, P.O. Box 94123, Baton Rouge, LA 70804-9123.

Participants vest immediately in employee contributions to the plan. Retirement benefits vest after five years of service if the employee reaches age sixty; otherwise, benefits vest after twenty years of service. Benefits are established and amended by state statute. Upon retirement, participants may select from eight retirement payment options.

**ADVOCACY FOR THE ARTS AND TECHNOLOGY IN NEW ORLEANS, LOUISIANA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013 AND 2012**

Participants are required to contribute to the plan 8% of the annual covered payroll. For the years ended June 30, 2013 and 2012, the School is required to contribute 24.5% and 23.7%, respectively, each year of the annual covered payroll of each participating employee. These contribution levels are established by law and set by the Public Retirement Systems Actuarial Committee (the System). For the years ended June 30, 2013 and 2012, the School contributions to the plan totaled \$319,380 and \$285,940, respectively, and are included in retirement fund contribution on the statements of functional expenses.

**NOTE J – GRANT REVENUES**

For the years ended June 30, 2013 and 2012, the School's federal grant revenues were as follows:

	<u>2013</u>	<u>2012</u>
IASA Title I	\$ 165,261	\$ 131,709
IASA Title II	13,652	8,349
LA 4 TANF	86,542	153,116
LA 4 CDBG	75,654	-
IDEA Part B	50,070	31,118
IDEA Preschool	2,173	2,370
Total federal sources	<u>\$ 393,262</u>	<u>\$ 326,662</u>

For the years ended June 30, 2013 and 2012, the School's state grant revenues were as follows:

	<u>2013</u>	<u>2012</u>
8(G) – Tap Funds	\$ 38,461	\$ 21,568
LA-4 Early Childhood Program	15,997	10,845
Total state sources	<u>\$ 54,458</u>	<u>\$ 32,413</u>

**NOTE K – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, February 18, 2014, and determined that no other events occurred that require disclosure. No subsequent events occurring after that date have been evaluated for inclusion of these financial statements.

**OTHER INDEPENDENT AUDITORS' REPORT**





Certified Public Accountants & Consultants

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of  
Advocacy for the Arts and Technology in  
New Orleans, Louisiana, Inc.  
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Advocacy for the Arts and Technology in New Orleans, Louisiana, Inc. (the School) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to financial statements, and have issued our report thereon dated February 18, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Silva Gurtner & Abney, LLC*

New Orleans, Louisiana  
February 18, 2014

**ADVOCACY FOR THE ARTS AND TECHNOLOGY IN NEW ORLEANS, LOUISIANA, INC.**  
**SCHEDULE OF FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

**Section I – Summary of Auditors' Results**

Financial Statements

Type of auditors' report issued:	Unmodified		
Internal control over financial reporting:			
Material weaknesses identified?	_____ yes	_____ <u>X</u> _____	no
Significant deficiencies identified			
not considered to be material weaknesses?	_____ yes	_____ <u>X</u> _____	none reported
Noncompliance material to financial statements noted?			
noted?	_____ yes	_____ <u>X</u> _____	no

**Section II – Findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards***

**2013-01 – Timely submission of report**

**Criteria:** The June 30, 2013 audited financial statements were not filed within six months of the close of the fiscal year. Therefore, the School is not in compliance with LSA-R.S.24.513.

**Condition:** Certain aspects of fieldwork did not commence in time to complete the audit within the time frame prescribed by the Louisiana Audit Law.

**Effect:** The effect of this condition is non-compliance with the State Law governing audit engagement completion.

**Recommendation:** The audited financial statements must be remitted within six months of the fiscal year-end, in compliance with the State Law governing audit engagement completion.

**Management Response:** Management, in cooperation with the auditors, will ensure timely submission of all required reports.

**ADVOCACY FOR THE ARTS AND TECHNOLOGY IN NEW ORLEANS, LOUISIANA, INC.  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2013**

**Section II – Findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards***

No findings noted for the year ended June 30, 2012.

**SCHEDULES REQUIRED BY STATE LAW**  
**(R.S. 24:514 – PERFORMANCE AND STATISTICAL DATA)**





Certified Public Accountants & Consultants

**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors of  
Advocacy for the Arts and Technology in  
New Orleans, Louisiana, Inc.  
New Orleans, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Advocacy for the Arts and Technology in New Orleans, Louisiana, Inc. (the School) and the State of Louisiana Legislative Auditor (the specified parties), solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of the School and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin. Management of the School is responsible for its performance and statistical data. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and applicable provisions of *Government Auditing Standards* published by the United States Comptroller General. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures, findings and management's response, as applicable, related to the accompanying schedules of performance and statistical data and are as follows:

**General Fund Instructional and Support Expenditures and Certain Local Revenue Sources  
(Schedule 1)**

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on Schedule 1:
  - Total General Fund Instructional Expenditures,
  - Total General Fund Equipment Expenditures,
  - Total Local Taxation Revenue,
  - Total Local Earnings on Investment in Real Property,
  - Total State Revenue in Lieu of Taxes,
  - Nonpublic Textbook Revenue, and
  - Nonpublic Transportation Revenue.

Findings: None noted.

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### **Education Levels of Public School Staff (Schedule 2)**

2. We reconciled the total number of full-time classroom teachers per Schedule 4 to the combined total number of full-time classroom teachers per Schedule 2 and to the School's payroll records as of October 1, 2012.

Findings: None noted.

3. We reconciled the combined total of principals and assistant principals per Schedule 4 to the combined total of principals and assistant principals per Schedule 2.

Findings: None noted.

4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2012 and agreed to the total reported on Schedule 2. We traced one hundred percent (100%) of those employees to the individual's personnel file and determined if the individual's education level was properly classified on Schedule 2.

Findings: None noted.

### **Number and Type of Public Schools (Schedule 3)**

5. We obtained a list of schools by type as reported on Schedule 3. We compared the list to the schools and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

Findings: None noted.

### **Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers (Schedule 4)**

6. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2012 and as reported on Schedule 4 and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

Findings: None noted.

### **Public School Staff Data (Schedule 5)**

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on Schedule 5 and traced one hundred percent (100%) of those employees to the individual's personnel file and determined if the individual's salary, extra compensation, and full-time equivalents were properly included on Schedule 5.

Findings: None noted.

8. We recalculated the average salaries and full-time equivalents reported in Schedule 5.

Findings: None noted.

### **Class Size Characteristics (Schedule 6)**

9. We obtained a list of classes by school, school type, and class size as reported on Schedule 6 and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1, 2012 roll books for those classes and determined if the class was properly classified on Schedule 6.

Findings: When reconciling class size in the roll book to the class size information reported in the Site Teacher Roster generated from LEADS, we noted 1 instance out of the 10 classes selected, in which the class size was classified incorrectly on Schedule 6.

Based on discussions with management, the Site Teacher Roster was revised to properly report class size.

### **Louisiana Educational Assessment Program (LEAP) (Schedule 7)**

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in Schedule 7 by the School.

Findings: None noted.

### **The Graduation Exit Exam (GEE) (Schedule 8)**

11. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in Schedule 8 by the School.

Findings: Not applicable.

### **The iLEAP Tests (Schedule 9)**

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in Schedule 9 by the School.

Findings: None noted.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on the performance and statistical data accompanying the annual financial statements of the School. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the School, Board of Directors, the Louisiana Department of Education, and the Legislative Auditor, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Silva Gurtner & Abney, LLC*

New Orleans, Louisiana  
February 18, 2014



**ADVOCACY FOR THE ARTS AND TECHNOLOGY IN NEW ORLEANS, LOUISIANA, INC.**  
**GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES**  
**AND CERTAIN LOCAL REVENUE SOURCES**  
**FOR THE YEAR ENDED JUNE 30, 2013**  
**SCHEDULE 1**

**General Fund Instructional and Equipment Expenditures**

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 770,228	
Other Instructional Staff Activities	112,279	
Employee Benefits	453,959	
Purchased Professional and Technical Services	293,402	
Instructional Materials and Supplies	26,577	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities	<u>1,656,445</u>	

Other Instructional Activities -

Pupil Support Services	112,279	
Less: Equipment for Pupil Support Services	<u>-</u>	
Net Pupil Support Services		112,279

Instructional Staff Services	125,333	
Less: Equipment for Instructional Staff Services	<u>-</u>	
Net Instructional Staff Services		125,333

School Administration	284,526	
Less: Equipment for School Administration	<u>-</u>	
Net School Administration		<u>284,526</u>

Total General Fund Instructional Expenditures \$ 2,178,583

Total General Fund Equipment Expenditures \$ -

See independent accountants' report on applying agreed-upon procedures.

**ADVOCACY FOR THE ARTS AND TECHNOLOGY IN NEW ORLEANS, LOUISIANA, INC.**  
**EDUCATION LEVELS OF PUBLIC SCHOOL STAFF**  
**AS OF OCTOBER 1, 2012**  
**SCHEDULE 2**

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	-	-	-	-	-	-	-	-
Bachelor's Degree	13	76%	1	100%	-	-	-	-
Master's Degree	4	24%	-	-	1	50%	-	-
Master's Degree + 30	-	-	-	-	1	50%	-	-
Specialist in Education	-	-	-	-	-	-	-	-
Ph. D. or Ed. D.	-	-	-	-	-	-	-	-
Total	17	100%	1	100%	2	100%	0	0%

See independent accountants' report on applying agreed-upon procedures.

**ADVOCACY FOR THE ARTS AND TECHNOLOGY IN NEW ORLEANS, LOUISIANA, INC.**  
**NUMBER AND TYPE OF PUBLIC SCHOOLS**  
**FOR THE YEAR ENDED JUNE 30, 2013**  
**SCHEDULE 3**

Type	Number
Elementary	1
Middle/Jr. High	0
Secondary	0
Combination	0
Total	1

See independent accountants' report on applying agreed-upon procedures.

**ADVOCACY FOR THE ARTS AND TECHNOLOGY IN NEW ORLEANS, LOUISIANA, INC.**  
**EXPERIENCE OF PUBLIC PRINCIPALS, ASSISTANT PRINCIPALS, AND FULL-TIME CLASSROOM TEACHERS**  
**AS OF OCTOBER 1, 2012**  
**SCHEDULE 4**

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	-	-	1	-	-	-	-	1
Principals	-	-	-	1	-	-	-	1
Classroom Teachers	6	7	3	2	-	-	-	18
Total	6	7	4	3	-	-	-	20

See independent accountants' report on applying agreed-upon procedures.

**ADVOCACY FOR THE ARTS AND TECHNOLOGY IN NEW ORLEANS, LOUISIANA, INC.**  
**PUBLIC SCHOOL STAFF DATA**  
**FOR THE YEAR ENDED JUNE 30, 2013**  
**SCHEDULE 5**

	<b>All Classroom Teachers</b>	<b>Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions</b>
<b>Average Classroom Teachers' Salary Including Extra Compensation</b>	\$43,050	\$43,050
<b>Average Classroom Teachers' Salary Excluding Extra Compensation</b>	\$42,661	\$42,661
<b>Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries</b>	18	18

**Note:** Figures reported include all sources of funding (i.e., federal, state, and local) but exclude stipends and employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers; some teachers may have been flagged as receiving reduced salaries (e.g., extended medical leave); and ROTC teachers usually receive more compensation because of a federal supplement. For these reasons, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes, temporary employees, and any teachers on sabbatical leave during any part of the school year.

**ADVOCACY FOR THE ARTS AND TECHNOLOGY IN NEW ORLEANS, LOUISIANA, INC.**  
**CLASS SIZE CHARACTERISTICS**  
**AS OF OCTOBER 1, 2012**  
**SCHEDULE 6**

	Class Size Range							
	1-20		21-26		27-33		34+	
School Type	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	37%	22	31%	18	17%	10	6%	4
Elementary Activity Classes	7%	4	2%	1	-	-	-	-
Middle / Jr. High	-	-	-	-	-	-	-	-
Middle / Jr. High Activity Classes	-	-	-	-	-	-	-	-
High	-	-	-	-	-	-	-	-
High Activity Classes	-	-	-	-	-	-	-	-
Combination	-	-	-	-	-	-	-	-
Combination Activity Classes	-	-	-	-	-	-	-	-

**Note:** The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.

See independent accountants' report on applying agreed-upon procedures.

**ADVOCACY FOR THE ARTS AND TECHNOLOGY IN NEW ORLEANS, LOUISIANA, INC.**  
**LOUISIANA EDUCATIONAL ASSESSMENT PROGRAM (LEAP)**  
**FOR THE YEAR ENDED JUNE 30, 2013**  
**SCHEDULE 7**

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2013		2012		2011		2013		2012		2011		2013		2012		2011		2013		2012		2011	
	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
<b>Grade 4</b>																								
Advanced	-	-	-	-	1	4%	-	-	1	4%	-	-	-	-	1	4%	-	-	-	-	1	4%	-	-
Mastery	3	7%	4	16%	3	12%	4	10%	3	12%	2	8%	-	-	2	8%	2	8%	2	5%	2	8%	1	4%
Basic	21	50%	8	32%	12	48%	16	38%	6	24%	8	32%	9	21%	6	24%	8	32%	22	51%	7	28%	11	44%
Approaching Basic	11	26%	5	20%	5	20%	15	36%	10	40%	7	28%	25	60%	7	28%	10	40%	12	29%	5	20%	7	28%
Unsatisfactory	7	17%	8	32%	4	16%	7	17%	5	20%	8	32%	8	19%	9	36%	5	20%	6	15%	10	40%	6	24%
Total	42	100%	25	100%	25	100%	42	101%	25	100%	25	100%	42	100%	25	100%	25	100%	42	100%	25	100%	25	100%

See independent accountants' report on applying agreed-upon procedures.

**ADVOCACY FOR THE ARTS AND TECHNOLOGY IN NEW ORLEANS, LOUISIANA, INC.**  
**GRADUATION EXIT EXAM (GEE)**  
**FOR THE YEAR ENDED JUNE 30, 2013**  
**SCHEDULE 8**

This schedule is not applicable as the School does not enroll students in grade 9 - 12.

See independent accountants' report on applying agreed-upon procedures.



**ADVOCACY FOR THE ARTS AND TECHNOLOGY IN NEW ORLEANS, LOUISIANA, INC.**  
**THE iLEAP TESTS**  
**FOR THE YEAR ENDED JUNE 30, 2013**  
**SCHEDULE 9**

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2013		2012		2011		2013		2012		2011		2013		2012		2011		2013		2012		2011	
	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
<b>Grade 3</b>																								
Advanced	-	-	-	-	1	4%	-	-	-	-	1	4%	-	-	-	-	1	4%	-	-	-	-	-	-
Mastery	3	6%	2	5%	2	8%	1	2%	3	7%	2	8%	2	4%	3	7%	3	12%	2	4%	1	2%	2	8%
Basic	10	19%	12	29%	11	44%	11	20%	10	24%	9	36%	11	21%	11	28%	5	20%	12	23%	18	44%	10	40%
Approaching Basic	23	44%	10	24%	8	32%	20	39%	11	27%	8	32%	22	43%	16	40%	12	48%	21	40%	10	25%	7	28%
Unsatisfactory	16	31%	17	42%	3	12%	20	39%	17	42%	5	20%	17	32%	10	25%	4	16%	17	33%	12	29%	6	24%
Total	52	100%	41	100%	25	100%	52	100%	41	100%	25	100%	52	100%	40	100%	25	100%	52	100%	41	100%	25	100%

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2013		2012		2011		2013		2012		2011		2013		2012		2011		2013		2012		2011	
	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
<b>Grade 5</b>																								
Advanced	-	-	1	4%	N/A	N/A	-	-	-	-	N/A	N/A	-	-	-	-	N/A	N/A	-	-	-	-	N/A	N/A
Mastery	2	9%	1	4%	N/A	N/A	-	-	-	-	N/A	N/A	2	4%	2	8%	N/A	N/A	-	-	-	-	N/A	N/A
Basic	7	30%	10	44%	N/A	N/A	5	22%	9	37%	N/A	N/A	18	35%	6	25%	N/A	N/A	5	9%	5	22%	N/A	N/A
Approaching Basic	6	26%	5	22%	N/A	N/A	5	22%	5	21%	N/A	N/A	20	39%	7	29%	N/A	N/A	20	39%	9	39%	N/A	N/A
Unsatisfactory	8	35%	6	26%	N/A	N/A	13	56%	10	42%	N/A	N/A	12	22%	9	38%	N/A	N/A	27	52%	9	39%	N/A	N/A
Total	23	100%	23	100%	N/A	N/A	23	100%	24	100%	N/A	N/A	52	100%	24	100%	N/A	N/A	52	100%	23	100%	N/A	N/A

See independent accountants' report on applying agreed-upon procedures.